

Flash Report for the Year Ended March 31, 2010

(on a consolidated basis)

May 12, 2010

Name of the listed company: **Fuji Seal International, Inc.**
 Code No.: 7864 Stock exchange: TSE (1st section)
 URL: <http://www.fujiseal.co.jp>
 Representative: Shigeo Okazaki, President and CEO
 Contact: Noriyuki Kino, Executive Officer, Corporate Planning
 Scheduled date for annual general meeting of shareholders: June 24, 2010
 Date for initiation of dividend payments (subject to change): June 4, 2010
 Scheduled date for submission of Securities Report: June 24, 2010

* All amounts are rounded down to the nearest million yen.

1. Consolidated Results for the Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Net income	
	¥	%	¥	%	¥	%	¥	%
Year ended March 31, 2010	¥86,377	0.4%	¥7,813	31.1%	¥7,649	26.3%	¥5,092	45.4%
Year ended March 31, 2009	86,045	(6.4)	5,957	10.6	6,055	20.4	3,502	44.0

	Earnings per share (¥)		Return on equity	Ordinary income to total assets	Operating income to net sales
	Basic	Diluted			
Year ended March 31, 2010	¥181.40	¥—	11.7%	10.3%	9.0%
Year ended March 31, 2009	121.10	—	7.9	7.8	6.9

Notes: 1. Percentage figures for net sales, operating income, ordinary income and net income represent year-on-year comparisons.

2. Earnings from investments in equity-method affiliates

Year ended March 31, 2010: ¥165 million Year ended March 31, 2009: ¥108 million

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2010	¥75,026	¥46,031	61.4%	¥1,639.76
As of March 31, 2009	73,840	41,055	55.6	1,462.48

Note: Owners' equity

As of March 31, 2010: ¥46,031 million As of March 31, 2009: ¥41,055 million

(3) Cash flows (¥ million)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Year ended March 31, 2010	¥9,322	¥(4,611)	¥(5,429)	¥4,846
Year ended March 31, 2009	10,046	(6,472)	(1,173)	5,537

2. Dividends

	Cash dividends per share (¥)					Total dividends (full term) (¥ million)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	Quarter-end							
	1st	2nd	3rd	Year-end	Annual			
Year ended March 31, 2009	—	¥15.00	—	¥15.00	¥30.00	¥861	24.8%	2.0%
Year ended March 31, 2010	—	15.00	—	15.00	30.00	842	16.5	1.9
Year ending March 31, 2011 (forecast)	—	15.00	—	20.00	35.00		19.5	

3. Business Performance Forecasts for the Year Ending March 31, 2011

(April 1, 2010 to March 31, 2011)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share (¥)
	¥	%	¥	%	¥	%	¥	%	¥
First-half period	¥46,300	1.3%	¥5,000	(1.8)%	¥5,130	2.0%	¥3,400	9.7%	¥119.77
Full term	90,000	4.2	7,730	(1.1)	7,960	4.1	5,100	0.2	179.65

Note: Percentage figures represent year-on-year comparisons.

4. Others

(1) Changes in the scope of consolidation

Inclusion: none

Exclusion: none

(2) Changes in significant accounting policies

Changes in accounting standard: applicable

Other: applicable

(3) Number of ordinary shares issued at the end of the year

As of March 31, 2010: 30,080,978 shares As of March 31, 2009: 30,080,978 shares

Number of shares in treasury at the end of the year

As of March 31, 2010: 2,008,662 shares As of March 31, 2009: 2,008,422 shares

5. Non-Consolidated Results for the Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(1) Operating results

(¥ million)

	Net sales		Operating income		Ordinary income	
Year ended March 31, 2010	¥3,833	(6.2)%	¥2,415	(20.5)%	¥2,324	(18.7)%
Year ended March 31, 2009	4,085	(21.3)	3,038	(25.4)	2,858	(27.6)

	Net income		Earnings per share (¥)	
			Basic	Diluted
Year ended March 31, 2010	¥2,072	(19.3)%	¥ 73.83	¥ —
Year ended March 31, 2009	2,569	(33.3)	88.82	—

Note: Percentage figures represent year-on-year comparisons.

(2) Financial position

(¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2010	¥49,355	¥41,117	83.3%	¥1,464.68
As of March 31, 2009	50,757	39,814	78.4	1,418.27

Note: Owners' equity

As of March 31, 2010: ¥41,117 million As of March 31, 2009: ¥39,814 million

Forecasts for the Company's performance on a non-consolidated basis are omitted for the current term (ending March 31, 2011), as their effect on investors' judgments is deemed to be immaterial.

The above forecasts are based on data available as of the date of release of this document as well as assumptions based on uncertain factors, which might have a material effect on the Company's performance in the future. Readers are advised that actual results may differ substantially from the above forecasts due to various unforeseeable factors.

Consolidated Balance Sheets

(¥ million)

	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets:		
Cash and deposits	¥ 5,968	¥ 5,454
Notes and accounts receivable	21,078	22,181
Merchandise and finished products	3,227	2,923
Work in process	1,634	1,282
Raw materials and supplies	2,007	2,049
Deferred tax assets	452	745
Prepaid expenses	214	
Other current assets	1,189	1,216
Allowance for doubtful accounts	(92)	(77)
Total current assets	35,680	35,776
Noncurrent assets:		
Tangible fixed assets:		
Buildings and structures	14,481	14,730
Accumulated depreciation	(5,786)	(6,326)
Buildings and structures - net	8,694	8,403
Machinery, equipment and vehicles	39,332	43,333
Accumulated depreciation	(22,853)	(25,373)
Machinery, equipment and vehicles - net	16,478	17,959
Land	4,545	4,571
Lease assets	149	238
Accumulated depreciation	(49)	(94)
Lease assets - net	99	143
Construction in progress	3,289	2,468
Other	2,289	2,329
Accumulated depreciation	(1,827)	(1,886)
Other - net	462	442
Total tangible fixed assets	33,570	33,990
Intangible assets:		
Goodwill	231	133
Lease assets	0	0
Other	836	772
Total intangible assets	1,069	906
Investments and other assets:		
Investment securities	2,495	2,970
Long-term loans	25	
Deferred tax assets	422	699
Other	691	715
Allowance for doubtful accounts	(115)	(30)
Total investments and other assets	3,519	4,354
Total noncurrent assets	38,159	39,250
Total assets	¥73,840	¥75,026

Amounts are rounded down to the nearest million yen.

(¥ million)

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities:		
Notes and accounts payable	¥15,214	¥14,534
Short-term borrowings	7,765	4,230
Current portion of long-term debt	736	635
Lease obligations	34	48
Other accounts payable	1,873	2,559
Income taxes payable	1,074	1,428
Deferred tax liabilities	0	1
Accrued bonuses	816	781
Other current liabilities	2,350	2,027
Total current liabilities	29,867	26,247
Long-term liabilities:		
Long-term debt	1,567	949
Lease obligations	71	102
Deferred tax liabilities	98	202
Reserve for employees' retirement benefits	1,154	1,442
Other	25	50
Total long-term liabilities	2,917	2,747
Total liabilities	32,784	28,995
Net assets		
Shareholders' equity:		
Common stock	5,990	5,990
Capital surplus	6,233	6,233
Retained earnings	38,060	42,311
Treasury stock	(3,982)	(3,982)
Total shareholders' equity	46,301	50,551
Valuation and translation adjustments:		
Unrealized gain on available-for-sale securities	0	73
Adjustments for pension liability	(841)	(824)
Foreign currency translation adjustments	(4,405)	(3,768)
Total valuation and translation adjustments	(5,246)	(4,519)
Total net assets	41,055	46,031
Total liabilities and net assets	¥73,840	¥75,026

Consolidated Statements of Income

(¥ million)

	Year ended March 31, 2009	Year ended March 31, 2010
Net sales	¥86,045	¥86,377
Cost of sales	69,429	67,641
Gross profit	16,615	18,735
Selling, general and administrative expenses	10,658	10,922
Operating income	5,957	7,813
Non-operating income:		
Interest income	15	12
Dividend income	23	21
Equity in earnings of affiliates	108	165
Recycling income	95	
Other	116	124
Total non-operating income	359	324
Non-operating expenses:		
Interest expenses	162	165
Foreign exchange loss	79	302
Other	19	19
Total non-operating expenses	262	487
Ordinary income	6,055	7,649
Extraordinary gains:		
Gain on sale of tangible fixed assets	17	22
Removal compensation	13	
Other	0	16
Total extraordinary gains	31	39
Extraordinary losses:		
Loss on sale and disposal of tangible fixed assets	119	296
Impairment loss	25	66
Employees' retirement benefit expenses		359
Loss on valuation of investment securities	76	
Loss on closure of plant	400	
Other	9	24
Total extraordinary losses	630	747
Income before income taxes	5,455	6,941
Income taxes:		
Current	2,027	2,370
Deferred	(75)	(521)
Total income taxes	1,952	1,848
Net income	¥ 3,502	¥ 5,092

Amounts are rounded down to the nearest million yen.

Consolidated Statements of Changes in Net Assets

(¥ million)

Year ended March 31, 2009	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at March 31, 2008	¥5,990	¥6,233	¥35,611	¥(1,981)	¥45,853
Decrease due to change in accounting procedures for overseas subsidiaries			(172)		(172)
Changes during year:					
Cash dividends			(880)		(880)
Net income			3,502		3,502
Purchase of treasury stock				(2,000)	(2,000)
Net changes in items other than shareholders' equity					
Total changes during year	—	—	2,622	(2,000)	621
Balance at March 31, 2009	¥5,990	¥6,233	¥38,060	¥(3,982)	¥46,301

Year ended March 31, 2009	Valuation and translation adjustments				Total net assets
	Unrealized gain on available-for-sale securities	Adjustments for pension liability	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance at March 31, 2008	¥156	¥(502)	¥1,860	¥1,514	¥47,367
Decrease due to change in accounting procedures for overseas subsidiaries					(172)
Changes during year:					
Cash dividends					(880)
Net income					3,502
Purchase of treasury stock					(2,000)
Net changes in items other than shareholders' equity	(155)	(339)	(6,265)	(6,760)	(6,760)
Total changes during year	(155)	(339)	(6,265)	(6,760)	(6,139)
Balance at March 31, 2009	¥ 0	¥(841)	¥(4,405)	¥(5,246)	¥41,055

Amounts are rounded down to the nearest million yen.

(¥ million)

Year ended March 31, 2010	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at March 31, 2009	¥5,990	¥6,233	¥38,060	¥(3,982)	¥46,301
Decrease due to change in accounting procedures for overseas subsidiaries					
Changes during year:					
Cash dividends			(842)		(842)
Net income			5,092		5,092
Purchase of treasury stock				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during year	—	—	4,250	(0)	4,249
Balance at March 31, 2010	¥5,990	¥6,233	¥42,311	¥(3,982)	¥50,551

Year ended March 31, 2010	Valuation and translation adjustments				Total net assets
	Unrealized gain on available-for-sale securities	Adjustments for pension liability	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance at March 31, 2009	¥0	¥(841)	¥(4,405)	¥(5,246)	¥41,055
Decrease due to change in accounting procedures for overseas subsidiaries					
Changes during year:					
Cash dividends					(842)
Net income					5,092
Purchase of treasury stock					(0)
Net changes in items other than shareholders' equity	73	17	636	726	726
Total changes during year	73	17	636	726	4,976
Balance at March 31, 2010	¥ 73	¥(824)	¥(3,768)	¥(4,519)	¥46,031

Amounts are rounded down to the nearest million yen.

Consolidated Statements of Cash Flows

(¥ million)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from operating activities		
Income before income taxes	¥ 5,455	¥ 6,941
Depreciation and amortization	4,448	4,447
Impairment loss	25	66
Amortization of goodwill	137	98
Increase (decrease) in allowance for doubtful accounts	(94)	(103)
Increase (decrease) in accrued bonuses	36	(37)
Increase (decrease) in reserve for employees' retirement benefits	(6)	301
Equity in earnings of affiliates (earnings)	(108)	(165)
Gain on sale of tangible fixed assets	(17)	(22)
Loss on sale and disposal of tangible fixed assets	102	280
Loss (earnings) on valuation of investment securities	76	
Loss on closure of plant	123	
Interest and dividend income	(38)	(34)
Interest expenses	162	165
Foreign exchange loss (earnings)	167	5
Decrease (increase) in notes and accounts receivable	(657)	(942)
Decrease (increase) in inventories	26	694
Increase (decrease) in notes and accounts payable	1,564	(761)
Increase (decrease) in other accounts payable	(627)	503
Increase (decrease) in consumption taxes payable	80	183
Other	410	(39)
Subtotal	11,268	11,582
Interest and dividends received	38	32
Interest paid	(158)	(175)
Income taxes paid	(1,102)	(2,117)
Net cash provided by operating activities	10,046	9,322
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,659)	(4,269)
Proceeds from sale of tangible fixed assets	159	65
Purchase of intangible assets	(185)	(156)
Purchase of investment securities	(19)	(120)
Proceeds from sale of investment securities	0	9
Increase in loans receivable	(8)	(10)
Proceeds from collection of loans	20	8
Increase in long-term prepaid expenses	(9)	(109)
Other	229	(28)
Net cash used in investing activities	(6,472)	(4,611)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	955	(3,788)
Proceeds from long-term debt	1,638	—
Repayment of long-term debt	(861)	(749)
Purchase of treasury stock	(2,000)	(0)
Repayment of lease obligations	(25)	(48)
Cash dividends paid	(880)	(842)
Net cash used in financing activities	(1,173)	(5,429)
Effect of exchange rate changes on cash and cash equivalents	57	27
Net increase (decrease) in cash and cash equivalents	2,457	(690)
Cash and cash equivalents at beginning of year	3,079	5,537
Cash and cash equivalents at end of year	¥ 5,537	¥ 4,846

Amounts are rounded down to the nearest million yen.

Segment Information

Segmentation by location

(¥ million)

	Year ended March 31, 2009					
	Japan	North America	Europe	Total	Eliminations/ Corporate	Consolidated amount
Sales:						
Customers	¥61,935	¥12,804	¥11,305	¥ 86,045	¥ —	¥86,045
Intersegment	1,349	25	1,256	2,632	(2,632)	—
Total sales	63,285	12,830	12,561	88,677	(2,632)	86,045
Operating expenses	58,423	12,128	12,122	82,675	(2,587)	80,087
Operating income (loss)	4,861	701	438	6,002	(44)	5,957
Assets	¥73,423	¥12,983	¥12,125	¥98,533	¥(24,693)	¥73,840

	Year ended March 31, 2010					
	Japan	North America	Europe	Total	Eliminations/ Corporate	Consolidated amount
Sales:						
Customers	¥61,565	¥13,794	¥11,017	¥86,377	¥ —	¥86,377
Intersegment	1,097	9	1,312	2,420	(2,420)	—
Total sales	62,663	13,803	12,329	88,797	(2,420)	86,377
Operating expenses	56,734	12,774	11,500	81,009	(2,445)	78,564
Operating income	5,929	1,029	829	7,787	25	7,813
Assets	¥72,159	¥13,528	¥13,411	¥99,099	¥(24,072)	¥75,026

- Notes: 1. Geographical segmentation is made by grouping countries that are in close proximity to one another.
2. The Company's geographical segments are as follows.
North America: United States of America, Mexico
Europe: United Kingdom, the Netherlands, France, Poland
3. Year-end amounts of assets posted under Eliminations/Corporate, mainly consisting of long-term investments (investments in securities) by the parent company, stood at ¥34 million and ¥34 million on March 31, 2009 and 2010, respectively.

Sales by segment

(¥ million)

	Year ended March 31, 2009		Year ended March 31, 2010	
	Amount	% of total	Amount	% of total
Shrink label	¥54,348	63.2%	¥55,676	64.5%
Tack label	9,079	10.6	9,193	10.6
Other label	2,635	3.1	2,165	2.5
Soft pouch	3,888	4.5	3,817	4.4
Machinery	8,621	10.0	7,416	8.6
Other	7,473	8.6	8,107	9.4
Total	¥86,045	100.0%	¥86,377	100.0%